

  
*Colorado Legislative Council Staff Fiscal Note*  
**FINAL**  
**FISCAL NOTE**

**Drafting Number:** LLS 12-0269

**Date:** June 25, 2012

**Prime Sponsor(s):** Rep. Scott  
Sen. Jahn

**Bill Status:** Postponed Indefinitely

**Fiscal Analyst:** Jonathan Senft (303-866-3523)

**TITLE:** CONCERNING A CHANGE OF THE DEFINITION OF "SALVAGE VEHICLE" TO INCLUDE MOTOR VEHICLES CURRENTLY EXCLUDED.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
<b>State Revenue</b>	Potential Increase	
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill was postponed indefinitely by the House Transportation Committee on February 15, 2012.		
<b>Appropriation Summary for FY 2012-2013:</b> None.		
<b>Local Government Impact:</b> See Local Government section.		

**Summary of Legislation**

This bill alters the definition of a salvage vehicle for the purposes of a title transfer. Broadly, a salvage vehicle is one which has been damaged beyond repair. Under current law, a salvage vehicle must be less than six years old at the time of damage. This bill eliminates this requirement.

**State Revenue**

To the extent that this bill increases the number of vehicles sold, titled, or registered in Colorado, it would increase state revenue from sales taxes, specific ownership taxes, registration fees, and titling fees. However, the actual increase in state revenue has not been estimated.

Sales taxes are charged on vehicle transactions, with revenue credited to the General Fund. Specific ownership taxes are established from the original MSRP, do not change for the life of the vehicle, even for salvage vehicles, and are distributed to local governments. In order to establish ownership in Colorado, owners of salvage vehicles are required to acquire a salvage certificate of title, with an application fee of \$7.20. This fee is the same as a certificate of title for other vehicles. Finally, motor vehicle registration fees are credited to the Highway Users Tax Fund.

**Local Government Impact**

To the extent that this bill increases the volume in vehicle sales, there may be a corresponding increase in allocations to local governments from the Highway Users Tax Fund and from specific ownership taxes.

**Departments Contacted**

Revenue      Transportation